

**§ 1000. Conflict of Interest Code for the Department of Managed Health Care**

The Political Reform Act, Government Code Section 81000, et. seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (Title 2, California Code of Regulations (CCR), section 18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 CCR, section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation, and the attached Appendix designating officials and employees and establishing disclosure categories, shall constitute the conflict of interest code of the Department of Managed Health Care.

Designated employees shall file statements of economic interests with the Office of Administration of the Department of Managed Health Care, which will make the statements available for public inspection and reproduction. (Government Code, Section 81008). Upon receipt of the statement of the Director of the Department of Managed Health Care, the Office of Administration shall make and retain a copy and forward the original to the Fair Political Practices Commission. Statements for all other designated employees will be retained by the Office of Administration of the Department of Managed Health Care.

**Appendix**

Designated Positions	Assigned Disclosure Categories
Director, Department of Managed Health Care	A, B
Chief Deputy Director	A, B
Deputy Director, Communications and Planning	A, B
Deputy Director, External Affairs	A, B
Medical Advisor to Directors Office	A, B
Deputy Director, Plan & Provider Relations	A, B
Deputy Director Financial Solvency Standards Board	A, B
All Counsel, supervisory or nonsupervisory, regardless of level, wherever assigned	A, B
All Health Analysts, supervisory or nonsupervisory, regardless of level, wherever assigned	A, B
All Examiners, supervisory or nonsupervisory, regardless of level, wherever assigned	A, B
Chief, HMO Help Center	A, B

Assistant Deputy Director, Office of Health Plan Oversight	A, B
Assistant Deputy Director, Office of Legal Services	A, B
Assistant Deputy Director, HMO Help Center	A, B
Assistant Deputy Director, Office of Technology and Innovation	A, B
Assistant Deputy Director, Office of Enforcement	A, B
Assistant Deputy Director, Office of Administration	A, B
<u>Auditor</u>	<u>A, B</u>
Chief, Division of Financial Oversight	A, B
Chief, Division of Plan Surveys	A, B
Nurses, wherever assigned	B
Consultants used by the Office of Technology and Innovation	B, C
Chief, Accounting Section	B, C
Chief, Business Management Section	B, C
Supervisor, Application Support Section	B, C
Supervisor, Support Services Section	B, C
Application Architect	B, C
Lead Systems Engineer	B, C
Other Consultants*	A*

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\*Consultants shall disclose pursuant to the broadest disclosure category in the code (Category A) subject to the following limitations:

The Director of the Department of Managed Health Care may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Director's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. Nothing herein excuses any such consultant from any other provisions of this Conflict of Interest Code.

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## Disclosure Categories

## Category A

Each "designated employee" in this category shall report:

(1) Income from any source, investments in any business entity, or business positions in any entity which has "transacted business" with the Department or has been the "subject of any legislation or rulemaking activity" during the previous two years or which the employee has reason to know is planning to transact business with the Department or be subject of any legislation or rulemaking activity.

(2) Any real property which during the preceding two years was rented, leased, or sold to a business entity, or leased or purchased from a business entity, which has transacted business with the Department or been the subject of any legislation or rulemaking activity during the preceding two years or which the designated employee knows or has reason to know is planning to transact business with the Department or be the subject of any legislation or rulemaking activity.

(3) For purposes of this category, "transacting business with the Department" includes, but is not limited to, any activity or contact with the Department in connection with a permit, order, registration, license, certificate, opinion, complaint known to or directly involving the employee, or enforcement action known to or directly involving the employee. A business entity has been or will be "the subject of any legislation or rulemaking activity" if the business entity is, was, will be, or would have been directly affected by any legislation or rule in connection with the laws over which the Department Director has jurisdiction, whether or not such legislation or rule was enacted, adopted, amended, or repealed.

## Category B

Each "designated employee" in this category shall report:

(1)(a) Income from any source, investments in any business entity, or business positions in any business entity which is subject to, or which the designated employee knows or has reason to know may be subject to, or by rule of the Director exempted from, the provisions of the Knox-Keene Health Care Service Plan Act of 1975.

(b) Income from any source, investments in any business entity, or business positions in any business entity which provides medical services, including but not limited to, privately owned hospitals, medical clinics, laboratories, pharmacies, and ambulance companies.

(c) Income from any source, investments in any business entity, or business

positions in any business entity which provides training or education for persons engaged in medical service activities or programs.

(2) Real property which during the preceding two years was rented, leased or sold to a business entity, or leased, or purchased from a business entity, which is subject to, or which he or she knows or has reason to know may be subject to, or by rule of the Director exempted from the provisions of the Knox-Keene Health Care Service Plan Act of 1975.

### Category C

Each "designated employee" in this category shall report:

(1) Income from any source, investments in any business entity, or business positions in any business entity which is, of the type that, during the preceding two years provided the Department of Managed Health Care or its immediate predecessor agency (the Department of Corporations) with services, supplies, materials, machines, equipment or office space.

(2) Real property which during the preceding two years has been rented, leased or sold to a business entity or leased or purchased from a business entity, which is of the type which during the preceding two years has provided, the Department of Managed Health Care or its predecessor agencies (i.e., the Department of Corporations) with services, supplies, materials, machines, or office space.